

STATE OF SOUTH CAROLINA

Petition of South Carolina Electric & Gas Company
for an order authorizing the deferral of costs
incurred in connection with certain demand-side
management and energy efficiency activities

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2009 - - E

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

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Other:

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously

☐ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest		
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		

K. Chad Burgess
Senior Counsel

chad.burgess@scana.com



February 27, 2009

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (29210)
Post Office Drawer 29211

Re: South Carolina Electric & Gas Company
Petition for an Accounting Order
Docket No. 2009-____-E

Dear Mr. Terreni:

Enclosed for filing, on behalf of South Carolina Electric & Gas Company ("SCE&G"), is a Petition for authorization to defer all costs in connection with the Company's demand-side management and energy efficiency activities pending the Commission's decision on the SCE&G's proposal to expand its demand-side management offerings.

By copy of this letter we are serving a copy of this Petition upon counsel for the South Carolina Office of Regulatory Staff and attach a Certificate of Service to that effect.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
(via hand delivery w/enclosures)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2009-____-E

IN RE:

Petition of South Carolina Electric & Gas)
Company for an order authorizing the)
deferral of costs incurred in connection)
with certain demand-side management and)
energy efficiency activities)
_____)

**CERTIFICATE
OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Petition for an Accounting Order** via hand delivery to the person named below at the address set forth:

Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, SC 29201



Karen M. Scruggs

Columbia, South Carolina
This 27th day of February 2009

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009- __ -E

IN RE:

Petition of South Carolina Electric & Gas)	
Company for an order authorizing the)	PETITION OF SOUTH CAROLINA
deferral of costs incurred in connection)	ELECTRIC & GAS COMPANY FOR AN
with certain demand-side management and)	ACCOUNTING ORDER
energy efficiency activities.)	
)	

South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files with the Public Service Commission of South Carolina ("Commission") this Petition, pursuant to S.C. Code Ann. § 58-27-1540 and 26 S.C. Code Ann. Reg. 103-825 (1976, as amended), seeking an accounting order for regulatory accounting purposes authorizing SCE&G to defer all costs in connection with the Company's demand-side management and energy efficiency activities pending the Commission's decision on the Company's proposal to expand its demand side management offerings.

The request for relief set forth herein will not involve a change to any of SCE&G's rates or prices, or require any change in any Commission rule, regulation or policy. In addition, the issuance of the requested accounting order will not prejudice the right of any party to address this issue in a subsequent general rate case proceeding. Accordingly, neither notice to the public at-large, nor a hearing is required regarding this Petition.

In support of this petition, SCE&G respectfully would show unto the Commission the following key facts and would request and petition the Commission for the following relief:

1. SCE&G is a corporation organized and existing under the laws of the State of South Carolina. Further, SCE&G is an electric utility engaged in the generation, transmission, distribution, and sale of electricity to the public for consumption. SCE&G's retail electric operations are subject to the jurisdiction of the Commission pursuant to the provisions of Chapter 27 of Title 58 of the South Carolina Code.

2. Corporate legal counsel for SCE&G in this proceeding are as follows:

Catherine D. Taylor, Esquire
K. Chad Burgess, Esquire
South Carolina Electric & Gas Company
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Columbia, South Carolina 29201
Telephone: 803-217-8141
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cdtaylor@scana.com
chad.burgess@scana.com

All correspondence and any other matters of any kind relative to this proceeding should be addressed to the Company's authorized representatives as stated hereinabove.

3. SCE&G, like many utilities, operates a collection of demand-side management and energy efficiency programs (collectively referred to as "DSM/EE"). There are two types of DSM/EE programs. The first type comes under the heading of demand response programs which are designed to lower peak demands and move consumption out of peak periods. The second type are energy efficiency programs which are designed to lower energy consumption in general and not only during peak periods.

4. The Company has an active demand reduction program which has been very successful in reducing the capacity needed to meet its customer's peak demand. The demand

reduction program is currently reducing SCE&G's peak demand by approximately 200 megawatts or by more than four percent (4%).

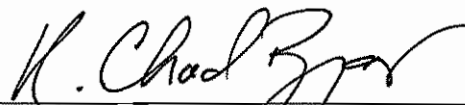
5. In light of current energy prices, general economic conditions and the increased environmental concerns of its customers, SCE&G is currently re-evaluating its portfolio of DSM/EE programs generally and with the specific intention of expanding its energy efficiency and demand response programs. The Company has developed a comprehensive action plan to research, analyze, and introduce (as appropriate) additional DSM/EE programs. When the results of this analysis are complete, SCE&G anticipates rolling out new or revised DSM/EE programs in a manner that balances issues such as rate impacts, customer equity, availability of qualified local trade allies and supporting infrastructure and other factors. After its analysis is complete, SCE&G intends to present its findings and proposals for expanded DSM/EE offerings to the Commission for review and approval along with mechanisms for capturing and recovering the costs associated with them. SCE&G expects to file its expanded DSM/EE options by June 30, 2009.

6. Based upon the foregoing, SCE&G seeks authorization from the Commission to defer as a regulatory asset all costs incurred in connection with the Company's evaluation of its demand-side management and energy efficiency programs and costs associated with the regulatory review of those programs pending the Commission's decision on the Company's proposal to expand its demand side management offerings. The Company would anticipate seeking specific authority to collect and recover DSM/EE program costs at that time, including any DSM/EE program costs deferred as a result of this petition. The authorization sought here is temporary in nature and is anticipated to be superseded by the order that the Commission will be asked to issue upon review of SCE&G's DSM/EE filing later in the year. To capture the full

costs of its evaluation of these expanded programs, SCE&G further requests that such deferral be effective for costs incurred on or after October 1, 2008. Any costs related to other proceedings, specifically the preparation and presentation of testimony in Docket No. 2008-196-E would not be subject to this deferral.

WHEREFORE, having set forth its Petition, SCE&G respectfully requests that the Commission issue an order authorizing SCE&G to (i) defer all costs incurred on or after October 1, 2008, in connection with the Company's study, evaluation and regulatory review of demand-side management and energy efficiency programs pending the Commission's decision on the Company's forthcoming proposal to expand its demand side management offerings; and (ii) grant such other and further relief as is just and proper.

Respectfully submitted,



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Attorneys for Petitioner
South Carolina Electric & Gas Company

Columbia, South Carolina
February 27, 2009